



**Date:** May 29, 2014

**To:** Thomas J. Bonfield, City Manager  
**Through:** Keith Chadwell, Deputy City Manager  
**From:** Mark D. Ahrendsen, Director of Transportation

**Subject:** Co-op Bus Purchase – Ten (10) Low-Floor Buses for DATA-Fixed Route

### **Executive Summary**

The contract under consideration will provide the Durham Area Transit Authority (DATA) with ten (10) new forty foot low-floor buses. For the purposes of this contract, the Administration is recommending the purchase of the buses from an existing Interlocal Group Purchasing Agreement (Co-op Contract) that was established between Capital Area Transit in Raleigh, North Carolina, and the Bus manufacturing company, Gillig Corporation in October, 2013. Procurement under this agreement is a recommended method approved by the FTA and the State of North Carolina. The City of Durham and the Triangle Regional Public Transportation Authority (Triangle Transit) are named to be able to purchased transit vehicles under this agreement.

Making purchases from contracts made through a competitive bidding group purchasing program is referred to as the “co-op contract exception”. North Carolina General Statute 143-129(e) (3) allows an exception to the bidding process when making a purchase from a co-operative purchasing program.

The Administration, including the Attorney’s office has reviewed the agreement, analyzed market conditions, compared the pricing to other recent similar bids, and recommends using the “co-op contract” provision.

The total cost of the 10 bus purchase contract is \$4,434,960. Funding for this contract is available from Triangle Transit as part of the Durham-Orange Bus & Rail Investment Plan. Consequently, this funding source has been recognized and established within the City’s budget

### **Recommendation**

The Transportation Department recommends that the City Council authorize the City Manager to: (1) enter into a contract with Gillig Corporation in the amount of \$4,434,960, to purchase ten (10) forty foot regular low-floor buses, with perimeter seating, by signing the attached Interlocal Agreement and the contract between the City and Gillig Corporation, and (2) modify the contract execution provided the modification does not increase the dollar amount of the contract and also the modifications are consistent with the general intent of the existing version of the contract.

### **Background**

The City proposes to purchase ten (10) forty foot low-floor Gillig buses to be used on several new routes for DATA’s fixed route service. The City of Durham proposes to purchase the vehicles through a group purchase (Co-op Contract) program led by Capital Area Transit, in

Raleigh, North Carolina, and the Gillig Bus Manufacturing Corporation, in California. The Co-op contract process led by Capital Area Transit has resulted in establishing a competitively priced contract for transit bus purchase and leveraging quantities to achieve excellent pricing in the process. Making purchases from contracts made through a competitive bidding group purchasing program is referred to as the “co-op contract exception”. North Carolina General Statute 143-129(e)(3) allows an exception to the bidding process when making a purchase from a co-operative purchasing program

*The bidding process is waived for purchases made through a competitive bidding group purchasing program, which is a formally organized program that offers competitively obtained purchasing services at discount prices to two or more public agencies.*

Buying off this agreement is a recommended method of procurement approved by the FTA and the State of North Carolina. The City of Durham and the Triangle Regional Public Transportation Authority (Triangle Transit) are named to be able to purchased transit vehicles under this agreement (Please refer to attached bid document). The City of Durham shall become a participating member of the program upon signing the attached Interlocal agreement attached.

The City proposes to buy ten (10) forty foot low-floor buses with perimeter seats, which will be used on new routes that were added in October 2013, as well as new routes that will be added to the DATA service in 2015.

The vehicles are being purchased from the Gillig Corporation, a bus manufacturing company from California. Gillig Corporation has agreed to furnish the City with ten (10) forty foot low-floor buses at the same pricing and conditions as in the existing bid (#09-13).

### **Issues/Analysis**

The City could choose not to use the “co-op contract” provision and seek new bids. Seeking new bids would delay the award process and most likely result in higher prices. The Administration has analyzed market conditions, has compared the pricing to other recent similar bids, and recommends using the “co-op contract” provision.

### **Alternatives**

- 1) The City Council may choose not to use the “co-op contract” provision and seek new bids. This is not recommended since seeking new bids would delay the award process and most likely result in higher prices.
- 2) The City Council may choose not to purchase the ten (10) buses. This is not recommended since there would be no buses to implement new routes for DATA’s fixed route service.
- 3) Purchase the ten (10) buses through the “co-op contract”. Recommended.

### **Financial Impact**

The total cost of the contract is \$4,434,960. Funding for this contract is available from Triangle Transit as part of the Durham-Orange Bus & Rail Investment Plan.

### **SDBE Summary**

This is a sole source contract through an existing agreement. The Department of Equal Opportunity /Equity Assurance therefore did not review the item for compliance with the Ordinance to Promote Equal Opportunities in City contracting.

**Attachments**

Price Summary

Purchase Contract